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DOS review completed

GENERAL

1. UK now favors partition of Trieste--The US delegation at the UN has been informed by the British delegation that the UK Foreign Office now favors a policy of facilitating an agreement between Yugoslavia and Italy for the partition of the Free Territory of Trieste. Accordingly, the UK delegation will not press charges against Yugoslavia for failure to comply with the UN statute on Trieste and will attempt to postpone any Security Council discussion of Trieste (including the selection of a Governor) until 15 March.

(CIA Comment: The USSR and Yugoslavia favor the early implementation of the Trieste Statute by the UN because they believe it to be the most likely means of obtaining control of the entire Territory.)

2. Request for reduction Soviet personnel in US authorized--The Department of State has authorized US Embassy Moscow to request the Soviet Government to reduce the number of its representatives in the US to the number which the US is able to maintain in the USSR [redacted]

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EUROPE

3. AUSTRIA: Serious results of delay in ERP--US Minister Erhardt declares that a delay until 1 July in authorizing the commencement of assistance under the European recovery program would cause a "most critical situation in Austria"

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and would result in a ration reduction to approximately 800 calories a day (the present ration is 1700). Erhardt comments that lack of food would: (a) bring a sharp decline in production and morale; (b) jeopardize political and economic gains resulting from previous assistance; (c) endanger the basic purpose of the European recovery program; and (d) give the USSR and the Communists an advantage which they have never enjoyed in Austria. Erhardt points out that because of the administrative and transportation gap between the authorization of aid in the US and the arrival of food in Austria, relief must be authorized in early March in order to arrive by 23 May, the date on which food already programmed will be exhausted.

(CIA Comment: CIA agrees with Erhardt's analysis and believes it very unlikely that the present Government could survive even a temporary drastic reduction in the basic ration.)

FAR EAST

4. **KOREA: Attitude of UN Commission--US Political Adviser** Jacobs reports that: (a) a majority of the UN Korean Commission is opposed to an immediate election for South Korea alone; and (b) will probably refer the problem to the UN Interim Committee without making any recommendations for the solution of the problem. Jacobs believes that the US will shortly be confronted with the necessity of arguing its case for holding separate South Korean elections before the Interim Committee.

THE AMERICAS

5. **ARGENTINA: Grains offered US at world market prices--** According to US Ambassador Bruce, Foreign Minister Bramuglia has declared that the Argentine Government is prepared to negotiate the sale of all or any part of its surplus grains to the US.

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at world market prices. Bramuglia reportedly said that the Argentine Government has made this proposal because it considers the ability to purchase US machinery at market prices more important than being able to obtain above-market prices for Argentine grains elsewhere.

6. VENEZUELA: Government prepares for air attack --US Embassy Caracas reports that the Venezuelan Government is alerting the country against possible air attack and is taking defense precautions. The Foreign Minister alleges that Trujillo agents are in Colombia and are in contact with dissident elements in Venezuela.

(CIA Comment: The Venezuelans have previously expressed fears of an attack from the Dominican Republic. CIA doubts that President Trujillo is planning an open attack, but believes that he would be glad to assist any move to overthrow the Betancourt Government provided he could not be officially implicated in the conspiracy.)

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